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SUBJECT: BRAZIL: LULA'S APPROVAL INCREASES AMIDST  
CORRUPTION SCANDAL

REF: A. BRASILIA 1819

[B](#). BRASILIA 1849

[C](#). BRASILIA 1867

1.(SBU) SUMMARY. A Sensus survey published in Brazil on July 12 reported a 2.5% increase in President Lula's approval rating since May. While ongoing investigations of scandals have greatly tarnished his PT party's image over the past few weeks, Lula thus far has been successful in disassociating himself from the corruption allegations and remains the front-runner in the 2006 presidential elections. END SUMMARY.

FAITH IN THE PRESIDENT, NOT THE PARTY  
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2.(U) The July 12 CNT-Sensus survey indicates that President Lula's approval rating rose from 57% in May to 60% in July. The survey was conducted between July 5-7, following the series of corruption revelations that started on May 22, but before some of the more recent revelations involving Lula's Workers' Party (PT) (reftels). When asked who was more involved in the corruption scandals, the voters replied: Congress (35%); the PT (31%); and Lula (12%). Almost half of those surveyed--46%--felt Lula was unaware of the vote-buying scheme, while 34% felt he knew about it. The Sensus results coincided with the Ipsos-Opinion survey taken June 21-29 and published in the weekly Veja magazine. According to this survey, 45% said that "Lula knew nothing about the corruption scandal"; 39% said he "knew something but did nothing to correct the situation"; and only 16% thought that Lula "knew about the scandal and was involved." The Ipsos-Opinion survey also found that 55% believed Lula to be an honest politician, while only 36% deemed the PT to be honest. According to Sensus poll projections for the October 2006 elections, Lula would defeat Jose Serra, PSDB mayor of Sao Paulo and Lula's opponent in 2002, by a margin of nearly 14 points.

COMMENT:

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3.(SBU) Despite the corruption scandal, Lula is riding out the storm, averaging approval ratings comparable to when he first came into office. These surveys indicate that his personal image has not yet been irreparably tarnished by the corruption scandal. If he is successful in cleaning house with his ongoing cabinet shuffle (reftel 1867) and keeps the economy on track, his candidacy for the October 2006 election should remain viable. This is assuming, though, that no new revelations emerge tying Lula more directly to the impropriety, and that continuous media coverage of the crisis does not change voters' perception of their president's credibility.  
CHICOLA